

**St. Joseph's Center**

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February 14, 2014

Written testimony of Marian Gaudio, Administrator of St Joseph's Nursing and Rehabilitation Center Concerning the Governor's Midterm Budget Adjustment proposal for FY 2015

Good evening Senator Bye, Representative Walker and to the members of the Appropriations Committee. My name is Marian Gaudio. I am the Administrator at St Joseph's, Nursing and Rehabilitation Center in Trumbull, Connecticut. St Joseph's is a longstanding provider of nursing care in the Trumbull community and the surrounding areas such as Bridgeport and Monroe. Our center has 297 beds and more than 375 employees. We are the recipient of the Bronze Quality Award and one of the largest employers in Trumbull providing clinically complex nursing care that allow our residents to stay out of the hospitals.

I am here this evening with a simple message from nursing facility operators, and on behalf of our residents and caregivers: *Our nursing facility needs your help.* We are very mindful and understanding of Connecticut's fiscal challenges. But at a time when we need our state government most to help us maintain the quality of care that we are known for, and required of us, we have to speak up. For example, last session, the adopted budget cut \$53.4 million in FY 2014 and \$81.0 million in FY 2015 from Medicaid spending. An additional proposed nursing facility funding cut of \$11.0 million in FY 2014 and \$14.8 million in FY 2015 was only partially restored, leaving a \$5 million reduction. Unfortunately under this formula, most nursing facility rates were cut at a time when costs continue to go up.

Given the state surplus, these cuts were badly timed. Connecticut nursing facilities remain in a period of on-going financial distress. Medicare rate reductions were as high as 16% in many centers in 2012; in 2013 Medicare cut an additional 2 %. At the state level, the Medicaid gap between providing care and what it costs for care is widening. This year we will be reimbursed on average \$25.43 per patient day less than what it costs to care for our residents. For St Joseph's this means over \$1.8 million.

This follows a period of nursing facility receiverships, bankruptcies, closures. Yet there are 1 million baby boomers in Connecticut. There are 600,000 residents over the age of 60. Connecticut's population is one of the oldest in the Nation, with over 160,000 citizens over the age of 80. Much is being asked of our nursing

facilities today, and more will be asked in the future, given these dramatic numbers. These changes will mean that the acuity and numbers of nursing facility residents will continue to rise, even as more residents choose home and community programs to receive their care. On average, Connecticut facilities are 91% full. The notion that our nursing homes are not needed is false. While we support efforts to increase care at home, we are asking the Committee to recognize that home care is not always an option. Even with the emphasis on home care, nursing facilities will remain a critical component in the continuum of long term care. The success of the home care programs also means that when residents do need a nursing home they are more critically ill requiring more care than just an aging individual.

In conclusion, we ask you to consider nursing facilities as a critical, and cost-effective, component of the future of post acute care in our state. Toward these ends, we are asking to work with you to (1) create a payment system which incents nursing facility quality improvement (2) totally restore the cuts from last session; (3) continue to work to resolve the ongoing excessive delays in the Medicaid process; and finally (4) reverse the current trend of flat or reduced funding and recognize the importance of nursing facility care going forward as essential part in the continuum of care. Our residents and employees will thank you.

I would be happy to answer any questions you may have.

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